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NEWS RELEASE

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Diabetes Company Admits Securities Violations, Repays Investor ***Investor was promised royalty payments from nonexistent treatment centers ...***

SALT LAKE CITY, Utah – Diabetes Medical Development Corporation, Inc. (called DiabMed) and its president, Michael Clarke, from Salt Lake City, were ordered today to cease taking money from investors in violation of the securities laws. DiabMed and Clark admitted violating the law, agreed to cease any further violations, and repaid the investor.

Clarke took \$10,000 from an investor to be used in the operation of an existing diabetic treatment center in Sandy. Clarke promised the investor a return of his funds in 90 days and an ongoing royalty payment of \$.07 each time DiabMed treated a patient with "Pulse Insulin Therapy." Clarke said he needed the \$10,000 only for 90 days because a \$10 million loan would be received within 90 days.

The investor gave \$10,000 to Clarke in February 2005. In return, he received a promissory note signed by Clarke and a copy of a 2004 business plan. The investor received no other information about DiabMed. When the note was not paid after 90 days, Clarke agreed to pay 15% interest on the note until the investment was repaid.

DiabMed and Clark consented to the entry of an order by the Utah Division of Securities, requiring that they cease and desist unlawful sales of securities and repay the investor. The order finds that DiabMed and Clarke engaged in fraud while soliciting investments by falsely stating that the investor would receive a payment from DiabMed for every Pulse Insulin Therapy treatment in Washington and Oregon, that DiabMed would return the investment within 90 days, and DiabMed was expecting a \$10 million loan to be received shortly. The Division also alleges that DiabMed and Clarke failed to disclose adequate information to the investor about the business and operations of DiabMed and about Clarke's business expertise.

The corporate charter for DiabMed expired in January 2007. In July 2007, Clark repaid the investor his investment plus interest. The case is now concluded against all parties.